GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1266
ANSWERED ON:30.07.2001
AIR INDIA`S GENERAL SALES AGENTS IN LONDON
ASHOK NAMDEORAO MOHOL

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Air India has been indicated by the Comptroller and Auditor General(C&AG) for aseries of bad decisions of its officials regarding dealings with its general sales agents(GSAs) and consolidators;

(b) if so, the reasons for not cancelling the agreement with London based Welcome Travels Agents;

(c) the loss suffered by the Air India by virtue of the bad decision; and

(d) the steps taken by the Government against the guilty officials?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b) and (c):- Yes, Sir. The C&AG has adversely commented on the enhanced payment of PLI to the former General Sales Agent of Air India in UK for the period 1987-2000. The C&AG has assessed the undue advantage to GSA to the tune of Rs.57.02 crores due to the acts of omission and commission of the officials of Air India. The GSA contract of M/s.Welcome Travel inthe UK has since been terminated w.e.f. 9th July, 2000.

(d): Investigations have prima facie revealed involvement of four officials of Air India. Two officers were placed under suspension by their respective competent authorities by order dt. 22.5.2001 pending enquiry and disciplinary action is contemplated. One officer has taken Voluntary Retirement effective March,1999 and the other official has also retired on 31st October, 2000. His post-retirement dues/benefits have been withheld by Air India in view of the enquiry. A detailed report was sent to CVC on 23.5.2001. The CVC have also been requested on 12.6.2001 for first stage advice. A reference in this regard was also made to Central Bureau of Investigation on 22.5.2001 who have registered a Preliminary Enquiry on 7th June,2001.